FOR MYSORE STATE

Development (1950) Department.

Ms SERIES.

G.O. No. 1829.

Dated 5.5.50

[Despatch Abstract.]

Budget. Cooperation - Cut-motion relating to entrusting all Controlled Commodities to Coop. Stores - Papers. - Recorded.

NOTE FILE.

Note on cut motions.
Demand XX Cooperation.

Procurement and distribution of essential articles by Cooperative Societies and the need to entrust the distribution of all controlled articles to them.

The essential commodities whose distribution is controlled by the State are listed below:—

1. Food Grains.
2. Sugar.
3. Kerosene.
4. Groundnut oil cake.
5. Chemical fertilizers.
6. Iron and Steel.
7. Petrol.
8. Cement.
9. Yarn.
10. Textiles.

The policy of Govt. in regard to their distribution is noted on below:

1. Food grains: The policy of Govt. is always to give preference to Coop. Institutions in the matter of procurement and distribution of controlled Foodgrains. Their latest instructions are that whenever new appointments either as procurement agents or as distributors have to be made, preference should be given to coop. societies over private individuals. The Coop. institutions are helped by Govt. loans in cases of necessity to supplement their own resources. They are also given monopoly procurement or distribution in specified areas, unlike private agents to whom no monopoly area is allotted and who therefore do not work on a competitive basis. in accordance with the above policy, the procurement of food grains viz. paddy, rice and millets (Ragi, cumbu, cholam, variga, varigalu, samai) has been entrusted to several cooperative institutions in the state.

2. Sugar: Under the Madras Sugar Dealers' Licensing order 1949, wholesale dealers in sugar have to take out licences. But while in the case of merchants licences are given only to those who were regularly engaged in the Sugar trade prior to 2-9-49 no such condition is insisted upon in the case of Cooperative Societies. The distribution of this commodity to the consumers is being made through selected retailers. For administrative convenience and for checking up of accounts etc., it has been found necessary

to entrust the actual distribution of sugar to the rice ration shops including those run by cooperative societies. Next come in the order of preference cooperative socieites which are not rice ration shops. The present system of distribution is working satisfactorily.

3. Kerosene.

The distribution of Kerosene is being made through licensed dealers who have had previous business in that article for at least 2 years prior to 1942. This condition is not insisted in the case of cooperative societies.

4. Groundnut oil cake.

At present there is no control over the procurement and price of groundnut oil cake. (The control was removed in January 1949). The question of re-imposing the control and of fixing a suitable agency for the distribution are separately under consideration. The case of the cooperative societies as distributing agents will be considered in that connection. At present cooperative societies are free to trade in groundnut cake with necessary permit from the D.A.

5. Chemical Fertiliser and seeds.

The Govt. have also recently ordered that the work of distribution of chemical fertilisers should be taken away from the Agriculture Dept. and entrusted to coop. societies completely by June 1950. If societies do not come forward to take up the distribution, it will be entrusted to private merchants. As regards seeds the question of transfering the work of their distribution form the Agricultural Dept. to coop. societies was already considered by Govt., and it was finally decided that the Agrl. Dept. should continue to do the work in the interest of maintaining the purity of improved seeds. The question of entrusting the distribution work to coop. societies in places which are far off from departmental Depots is separately under consideration.

6. Iron and Steel:

The work of distribution of fabricated agricultural implements has been entrusted to coop. societies selected for the purpose by the R.C.S. with effect from 15-1-49. As regards the transfer of the work of distribution of raw iron and steel

materials to coop. societies, the Govt. have recently ordered that this work should be entrusted to cooperative societies stage by stage before the end of June 1950 and if sufficient number of coop. societies do not come forward for taking up the work, it should be entrusted to private firms and merchants in the trade. The detailed proposal for the selection of coop. societie for being recommended to the Govt. of India for appointment as registered stock holders is under consideration.

7. Petrol. It is considered neither possible nor desirable to entrust petrol rationing to coop. stores as petrol rationing is now administered through th a central agency. - the P.R.O. and as confusion will prevail if it is done by immunerable agencies.

8. Cement. It is considered that distribution of cement cannot be undertaken by coop. stores for the following main reasons. Ordinarily the Co-operative stores are expected to supply only the needs of their members. They have been temporarily permitted to do business with non-members. This permission is an exemption from the coop. law and was given for the reason that the food problem was so acute that one of the best agencies available for distribution should be availed of by Govt. for the purpose. The same argument cannot apply to the distribution of cement which is not essential for human existence. Moreover members who require cement for construction of buildings are able to secure it through their own building societies. Besides there are not enough funds in the cooperative movement now. Govt. have had to lend nearly 2 crores to the Madras Provl. Coop. Bank and 3 more crores have been obtained from the Imperial Bank of India on Govt. guarantee for the procurement of foodgrains. Coop. Societies cannot afford to lock up funds in cement trade when they are needed more urgently for the production and distribution of food.

9. Yarn: When the Govt. of India orginally reintroduced the control of yarn in August 1948, the entire distribution of the yarn allotted to this province was entrusted to the Madras Handloom weavers Provincial Cooperative Society. But for various reasons it was later on found impracticable to continue this arrangement and this Govt. therefore decided

that with effect from October, 1948, 50% of the original yarn quota for this province (excluding quanitities for miscellaneous consumers) should be entrusted to the Provincial Society for distribution to its members and some non-members and that the remaining 50% should be handled by the normal trade channels. The revised arrangements are working satisfactorily and it does not seem possible to revert to the policy of entrusting the entire distribution to cooperatives.

10. Textiles:

Consequent on the re-imposition of control over mill cloth by the Govt. of India, the Govt., of Madras ordered that as in interim measure before permanent arrangements were finalised, all cloth allotted to this province should be distributed through Cooperatives, upto the end of August 1948. Subsequently when permanent arrangements were made for the rest of the control period it was ordered that 1/3 of the mill cloth allotted from Bombay Surplus Area should be distributed every month by the Cooperative organisations and the remaining 2/3rds by licensed dealers. In addition to the cloth from the Bombay Surplus area, the Cooperatives were allotted for January, 1949 50% of the production of Mettur Industries 400 Bales of B. & C. cloth and about 2200 bales of the mills in Coimbatore and Tinnevelly districts.

As the Cooperatives were obliged to lift the entire quota of the Province in the first three months, there was large accumulation of mill cloth with them left unsold. Hence the Cooperatives requested Govt. that a quota of 3000 bales a month may be allotted to them on a permanent basis from April 1949 onwards. The Govt. accordingly ordered that the Cooperatives should be allotted 3000 bales as shown below:—

B. & C.	400 bales.
Mettur Mills.	450 bales.
Loyal Textile mills	150 bales.
Coimbatore mills	1000 bales.
Bombay and Ahmedabad mills.	1000 bales.
Total	3000 bales.

The Co-operative Societies were getting mill cloth as indicated above till 17-1-1950 when the Govt. ordered that in view of the changed conditions in textile trade, the Cooperative institutions which have been dealing in mill cloth since the beginning of the controls should take to marketing exclusively handloom cloth produced by the cooperative weavers societies and that mill cloth quota need no longer be allotted to cooperative societies. The Govt. had to take this step having in view the distress of the handloom weavers and the heavy accumulation of handloom cloth. Relief schemes were started and the Co-operative institutions at all places were instructed to deal exclusively in handloom cloth.

The cloth position in the state is now very easy. There is abuniant supply of cloth and there is no scarcity of cloth at any place. The necessity for distributing mill cloth through cooperative societies which acted as check shops against the general dealers indulging in blackmarketing activities no longer exists in view of large quantity of cloth available in the market and as there is hardly any chance of hak black-marketing in cloth.

Sd/- x x
13-3-50.

DEMAND FOR GRANTS FOR FURTHER EXPENDITURE 1949-50.

SRI V.I. MUISWAMY PILLAI, M.L.A.

P.of B.E. 29 to 30. DEMAND No.XX.

To reduce the allotment of Rs.15,05,200

for Cooperation by Rs.100.

(To discuss the necessity for organising societies such as the Marudur Land Colonization Society).

DEVELOPMENT DEPARTMENT.

To A.S.

Please see the cut motion above.

The policy of Govt. is to assign compact blocks of Govt. lands to land colonisation cooperative societies. 26 land colonisation societies for landless poor have been organized in this state, on lands assigned by Govt. The Govt. have extended various concessions to these societies such as a free grant of Rs.10 per member towards share capital, a free grant of Rs.5 per acre for manure in the first year, free distribution of seeds upto Rs.2 per acre, a half grant towards the cost of a pair of bulls upto a maximum of Rs.125 and an interest free loan towards the other half of the cost of bulls. Interest free loans are also sanctioned for the purchase of agricultural implements upto Rs.75 per acre and for reclamation of lands upto Rs.25 per acre. In 1949, a new experiment in land colonisation was introduced in Marudur in Tiruchirapalli District where a land colonisation society was organised on private lands with landlords and tenants as members. An extent of nearly 400 acres belonging to 3 landlords has been leased to a cooperative society. The Govt. have sanctioned to the society a loan of Rs.80,000 for carrying out capital works such as levelling the lands, installing pump sets for irrigation etc. They have also sanctioned the grant of loan and subsidies to the society on the scale admissible to the other land colonisation societies. The employment of a Senior Inspector and an agricultural Demonstrator to work under the Society at half cost to Govt. was also sanctioned. In the cut motion on p.(above the member propose to discuss the necessity for organizing land colonisation societies like the Marudur society. It may be mentioned in this

connection that the Marudur scheme was approved in May 1949 and is the first of its kind in this state.

A similar society at Nelvoy in Chingleput District was organised in August 1949 and the society was given financial assistance on the scale admissible to other land colonisation societies and the services of a Senior Inspector and an Agricultural Kaistry at half cost to Govt. proposals to organize similar schemes at Tattabanda in Visakhapatnam District and at Nuzvid in Krishna District are under the consideration of Govt. The Registrar may probably come up with more such schemes in future as and when there is a demand from the public.

Sd/- x x
24-3-50.

H.M.(L.A.)

Seen by H.M.(L.A).
Sd/-
6-4-50.

(These papers relate to notes on cut motions under "42 Cooperation" May be recorded).

Sd/- xx
15-5-50.

G.O.Ms.1829 dated 5-5-50

Budget-Cooperation -Cut motion relating to entrusting all controlled commodities to Co-op. Stores - Papers recorded.

Routine.

The clerk has indexed the papers without taking orders for recording.

Sd/-xx
14-5-50.

(True Copy)

Superintendent.

RB: 31-7.

K Shankar 4-8-53.
K V Ambujalakshmi 4-8-53